



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

November 14, 2011

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

COUNTY OF LOS ANGELES PUBLIC SAFETY REALIGNMENT (Item 12, Agenda of October 11, 2011)

On October 11, 2011, your Board instructed the Chief Executive Officer to report back on the following:

- Costs that have been incurred by departments to date which Assembly Bill 109 (AB109) funding is not going to be paying for;
- Status of the Sheriff's Department's plan that maximizes the total number of beds for non-serious, non-violent, and non-sexual offenders through the use of the County jails, fire camps, and community correctional facilities; and
- Provide the impact the potential State budget triggers would have by program or services.

As requested, the following chart outlines the AB109 local planning costs incurred by County departments prior to the October 1, 2011, effective date of Public Safety Realignment. At this time, funding has not been identified to reimburse departments for their costs.

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Department	No. of Positions	Costs	Timeframe
Alternate Public Defender	6	\$56,786	2 Months
District Attorney	8	\$18,765	2 Months
Mental Health	2	\$12,000	3 Weeks
Probation	20	\$55,846	2 Months
Public Defender	15	\$30,000	4 Months
Public Health	18	\$28,839	3 Months
Sheriff	27	\$934,922	9 Months
Total	96	\$1,137,158	

Please note that some departments may have included costs associated with planning, attending meetings, and preparation of the department's AB109 budget request in addition to costs incurred due to an increase in workload (i.e., screening of pre-release packets).

The Sheriff's Department has indicated that they will submit a separate report directly to the Board outlining their Public Safety Realignment Jail Management Plan.

Attached is the October 11, 2011, memo to the Board prepared by the Chief Executive Office's Legislation and Intergovernmental Affairs Division titled "State Budget – Triggered Budget Reductions." The memo details the reductions in expenditures (and the estimated County impact by programs and services) the Director of the Department of Finance must take if the \$4 billion in revenue assumptions contained in the Fiscal Year 2011-12 State Budget Act does not materialize.

If you have any questions, please have your staff contact Manager Sheila Williams, Public Safety, at (213) 974-1155 or swilliams@ceo.lacounty.gov.

WTF:SW:llm

Attachment

c: Executive Office, Board of Supervisors
District Attorney
Sheriff
Alternate Public Defender
County Counsel
Mental Health
Probation
Public Defender
Public Health

CEO.PS Realignment.Item 12.Agenda 101111.bm.111411



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October 11, 2011

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From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "WTF", is placed next to the "From:" line.

STATE BUDGET – TRIGGERED BUDGET REDUCTIONS

Today, State Controller John Chiang released his monthly report of the State's cash balance, receipts and disbursements which reflects that revenue collections for the month of September came in \$301.6 million below projections included in the FY 2011-12 State Budget Act. According to the State Controller Chiang, "September's revenues alone do not guarantee that triggers will be pulled, but as the largest revenue month before December, these numbers do not paint a hopeful picture." After accounting for September revenues, total year-to-date State General Fund revenues are now \$705.5 million behind the State Budget estimates.

As previously reported, on June 30, 2011, Governor Brown signed the FY 2011-12 State Budget Act, which redirected State sales tax and vehicle license fee revenues to counties to fund the Governor's Public Safety Realignment Proposal, as well as addressed the State's remaining \$9.6 billion budget deficit through major expenditure reductions, revenue solutions and the assumption of \$4.0 billion in projected revenue the State may receive in FY 2011-12. Pursuant to AB 121 of 2011, the State Budget Act directs the Director of the Department of Finance, by December 15, 2011, to develop updated revenue forecasts and to make up to \$2.46 billion in additional expenditure reductions beginning in January 2012 if the projected \$4.0 billion in revenue does not materialize.

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The State trigger reductions would be implemented in three tiers, as follows:

Tier 0	
There will be no reductions if the State receives \$3.0 to \$4.0 billion of the \$4.0 billion in projected revenues.	
TOTAL TIER 0 TRIGGER CUTS	\$0
Tier 1	
Reductions of approximately \$600.0 million to the following programs will be enacted if the State receives \$2.0 to \$3.0 billion of the projected revenues.	
▪ Unallocated reduction to University of California	\$100.0 million
▪ Unallocated reduction to California State University	\$100.0 million
▪ 20.0 percent reduction in authorized hours for In-Home Supportive Services (IHSS) recipients	\$100.0 million
▪ Department of Developmental Services unallocated reduction	\$100.0 million
▪ Juvenile Justice – increase charge to counties for youthful offenders sent to Division of Juvenile Justice	\$ 72.1 million
▪ \$10/unit fee hike for community colleges	\$ 30.0 million
▪ Across-the-board cut to child care funding	\$ 23.0 million
▪ Unallocated reduction to Department of Corrections and Rehabilitation	\$ 20.0 million
▪ Reduction to California State Library for library grants	\$ 15.9 million
▪ Medi-Cal Managed Care Plan payment reductions	\$ 15.0 million
▪ Eliminate Vertical Prosecution grants	\$ 15.0 million
▪ Eliminate anti-fraud grants provided to counties for the IHSS Program	\$ 10.0 million
TOTAL TIER 1 TRIGGER CUTS	\$601.0 million
Tier 2	
Reductions of up to \$2.0 billion to the following programs, plus the Tier 1 reductions, will be enacted if the State receives \$0 to \$2.0 billion of the projected revenues.	
▪ Reduction to K-12 schools that allows districts to drop seven classroom days. The school year would be reduced to 168 days – down from 180 days three years ago	\$1.54 billion
▪ Elimination of school bus transportation	\$248.0 million
▪ Reduction to community colleges	\$ 72.0 million
TOTAL TIER 2 TRIGGER CUTS	\$1.86 billion

Estimated County Impact

Based on a preliminary analysis, if the trigger cuts are enacted, the overall impact to the County would be approximately \$380,000.

ESTIMATED IMPACT TO LOS ANGELES COUNTY FROM TIER 1 TRIGGER CUTS	
Medi-Cal Managed Care Plan	(\$1,000,000)
IHSS Anti-Fraud Initiatives	1,500,000
Across-the-Board Reduction to IHSS Service Hours	20,100,000
Youthful Offenders Placements	(20,000,000)
Vertical Prosecution Grants	(680,000)
Public Library Grants	(300,000)
Overall Estimated Impact	(\$380,000)

Affected County Programs

The majority of trigger cuts would impact K-12 education, community colleges and higher education; however, the following County programs would be impacted if Tier 1 trigger cuts are enacted:

Medi-Cal Managed Care Plan. Reduction of \$15.0 million for the Medi-Cal Managed Care Plan payments for counties. **The Department of Health Services estimates that this trigger cut would result in a County loss of \$1.0 million in FY 2011-12.**

In-Home Supportive Services Anti-Fraud Initiatives. Eliminates \$10.0 million for IHSS fraud prevention, detection, referral, and investigation activities. According to the Department of Public Social Services (DPSS), the trigger cut would result in a loss of \$8.5 million in State and Federal funding currently supporting the County's IHSS Anti-Fraud initiatives. **DPSS indicates that the trigger cut also would eliminate the County's share of cost for IHSS fraud activities for a net County savings of approximately \$1.5 million in FY 2011-12.**

Across-the-Board Reduction to IHSS Service Hours. Reduction of 20.0 percent in assessed service hours for all IHSS recipients for a State General Fund (SGF) savings of \$100.0 million in FY 2011-12. The State has not yet developed the details on how this cut will be implemented; however, the State Budget Act establishes an IHSS Supplement application for recipients who may be at-risk of out-of-home placement due to the reduction in hours. According to DPSS, the County could lose receipt of an estimated \$37.4 million in SGFs and \$55.9 million in Federal funds for IHSS benefits. **DPSS estimates that this trigger cut could impact most of the 184,000 individuals who currently receive IHSS benefits here in Los Angeles County. Additionally, DPSS estimates that these reductions in funding would result in a net County savings of approximately \$20.1 million in FY 2011-12, which represents the County's 17.5 percent share of IHSS provider payments.**

Youthful Offender Placements. Increase of \$72.1 million in county charges for youthful offender placements in Division of Juvenile Justice (DJJ). The provision shifting responsibility for supervision of all juvenile offenders was removed from the Public Safety Realignment legislation passed earlier this year. However, juvenile justice supervision was included as a Tier 1 trigger in the 2011-12 State Budget. If the trigger reductions are enacted, beginning January 1, 2012, the State would charge an annual rate of \$125,000 to house offenders committed from counties to a DJJ facility. This would be a significant increase in the amount currently charged to Los Angeles County to house youth in DJJ, which has averaged \$77,000 per month for approximately 300 youth over the previous six months. While the number of youth committed to DJJ is entirely under the jurisdiction of the court and is variable, under the trigger reductions, **the Probation Department would be charged between \$18.0 and \$20.0 million by the State in FY 2011-12 for the period January 1, 2012 through June 30, 2012.**

Vertical Prosecution Grants. Elimination of Vertical Prosecution Grants managed by the California Emergency Management Agency with SGF savings of \$15.0 million. In Los Angeles, the District Attorney's Office uses this grant to support staffing for its Major Narcotics Vertical Prosecution Program and the Elder Abuse Vertical Prosecution Program. Together, the programs received an allocation of \$682,253 for FY 2010-11. The District Attorney's Office indicates that the loss of this critical grant funding would eliminate fiscal support for six Deputy District Attorneys assigned to these vertical prosecution programs. **The District Attorney's Office estimates that this trigger cut would result in an estimated County loss of approximately \$680,000 in FY 2011-12.**

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Public Library Grants. Reduction of \$15.9 million statewide for local assistance programs for public libraries. **The Public Library indicates that this would result in an estimated County loss of approximately \$300,000 in the budget year to purchase books and other library materials.** This is in addition to the \$15.2 million in reductions previously enacted in the FY 2011-12 State Budget for local libraries, which the Public Library indicates resulted in an estimated County loss of approximately \$1.0 million in the budget year to purchase books and other library materials.

We will continue to keep you advised.

WTF:RA
MR:sb

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants